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EXAMINER

OYEBISI, OJO O

ART UNIT PAPER NUMBER

3628

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Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/880,777

Applicant(s)

BARD ET AL.

Examiner

OJO O. OYEBISI

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 19 April 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-12, 14-28, 30-40, 42-58, 60-88 and 90-120 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12, 14-28, 30-40, 42-58, 60-88 and 90-120 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

In the amendment filed on 04/19/06, the following have occurred: claims 13, 29, 41, 59, and 89 have been cancelled, claims 118, 119, 120 have been added, and claims 1, 10, 28, 37, 47, 56, 77, and 86 have been amended. The applicant's clarification in the remarks has necessitated the withdrawal of 112 Second Paragraph rejection. However, claims 1-12, 14-28, 30-40, 42-58, 60-88, 90-120 stand rejected in this office action.

#### ***Claim Rejections - 35 USC § 102***

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 1-4, 10-12, 19-20, 22, 25-28, 30-31, 35-36, 42, 45-50, 56-58, 65-66, 68, 71-75, 77-80, 86-88, 95-96, 98, 101-105, 107, 110-112, 115-116, and 118-120 are rejected under 35 U.S.C. 102(b) as being anticipated by **Sears Tests Starter Card** (Sears hereinafter), Card Fax News Brief Vol. 1997, n. 21, p. 1, January 28, 1997.

Re claim 1. Sears discloses a method for providing a credit account to a customer of an account issuer that provides a starter credit account associated with starter credit account parameters and a standard credit account associated with standard credit account parameters more favorable than the starter credit account parameters, comprising: **receiving** a request for the standard credit account from the customer (i.e., the new low credit approach will undoubtedly

save many of those denied applicants who do not fit into sears existing modeling programs pg 1, lines 36-39); **providing** a starter credit account in place of the standard credit account to the customer (i.e., sears plan to roll out a low credit line starter card by June, the card which will feature a smaller credit limit than the traditional sears card, pg 1 lines 17-25); **monitoring** the customer's activities associated with the starter credit account during a trial period to determine whether the customer has satisfied predetermined criteria (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see page 1, lines 30-34, this process inherently involves monitoring); and **upgrading** at least one of the starter credit account parameters to match at least one of the standard credit account parameters when the customer has satisfied the predetermined criteria (i.e., new customers are expected to pay on time and eventually have their credit limits raised, see pg 1 lines 30-35).

Re claim 2. Sears discloses the method wherein the starter credit account parameters include at least a starter credit limit, and wherein monitoring the customer's activities comprises: determining whether the customer has an outstanding balance associated with the starter credit limit; and determining whether the customer has made a payment toward the outstanding balance (i.e., raising customer's credit limit (disclosed by sears as stated supra) inherently involves monitoring customer's activities, which in turn entails determining if the customer has an outstanding balance).

Re claim 3. Sears further discloses the method, wherein determining whether the customer has made a payment further comprises: determining whether the customer has made the payment within an acceptable period of time (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see page 1, lines 30-34)

Re claim 4. Sears further discloses the method, wherein upgrading at least one of the starter credit account parameters comprises: increasing a starter credit limit associated with the starter credit account when the customer has satisfied the predetermined criteria (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see page 1, lines 30-34).

Re claim 10. Sears discloses a method for providing a credit account to a customer of a credit issuer that provides a starter credit account associated with starter credit account parameters and a standard credit account associated with standard credit account parameters more favorable than the starter credit account parameters, comprising: **providing** a starter credit account to a customer (i.e., sears plan to roll out a low credit line starter card by June, the card which will feature a smaller credit limit than the traditional sears card, pg 1 lines 17-25), wherein the customer is not eligible to receive a standard credit account; **monitoring** the customer's activities associated with the starter credit account during a trial period to determine whether the customer has satisfied predetermined criteria during the trial period (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see

page 1, lines 30-34, this process inherently involves monitoring); and **modifying** the starter credit account parameters based on the monitoring (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see page 1, lines 30-34) (see pg 1 of Sears), wherein modifying includes upgrading at least one of the starter credit account parameters to match at least one of the standard credit account parameters when the customer has satisfied the predetermined criteria during the trial period (i.e., new customers are expected to pay on time and eventually have their credit limits raised, see pg 1 lines 30-35).

Re claim 11. Claim 11 recites similar limitations to claim 2, and thus rejected using the same art and rationale in the rejection of claim 2.

Re claim 12. Claim 12 recites similar limitations to claim 3, and thus rejected using the same art and rationale in the rejection of claim 3.

Re claim 19. Sears further discloses a method for providing a credit account to a customer of a credit issuer that provides a starter credit account associated with starter credit account parameters and a standard credit account associated with standard credit account parameters more favorable than the starter credit account parameters, comprising: determining a group of customers eligible for the starter credit account, wherein the customers included in the group each have a credit profile (i.e., consumers with very thin and non-existent credit histories, pg 1 lines 18-20) that prevents the customers from obtaining the standard credit account; ranking the customers included in the group (i.e.,

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consumers with very thin and non-existed credit histories, pg 1 lines 18-20)  
providing a starter credit account to each customer included in the group (pg 1, lines 1-20), wherein parameters associated with each starter credit account vary based on the rank of each customer (i.e., Sears is targeting customers with very thin or non-existed credit histories, see pg 1, lines 17-27); determining a trial period for each ranked customer (i.e., training-wheels approach to credit, see lines 24-28); determining, for each ranked customer, a predetermined criteria that the customer must satisfy for the starter credit account parameters to be upgraded (i.e., on time payments, pg 1 lines 32-33); and for each ranked customer: determining whether the ranked customer has met the predetermined criteria during the trial period (Retailers expect customers to pay on time, pg 1 lines 32-33, thus inherently determines if this payment is actually made on time); and upgrading the account parameters associated with the ranked customer based on the determination(i.e., the credit limit is raised pg 1 lines 32-33).

Re claim 20. Claim 20 recites similar limitations to claim 4, and thus rejected using the same art and rationale in the rejection of claim 4.

Re claim 22. Sears further discloses the method as stated supra wherein adjusting the account parameters comprises: adjusting the account parameters to reflect parameters equivalent to parameters associated with the standard credit account when the customer has met the predetermined criteria (i.e., adjust the credit limit, see lines 32-33).

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Re claim 25. Claim 25 recites a limitation that is one of the limitations recited in claim 19, and thus rejected using the same art and rationale in the rejection of claim 19.

Re claim 26. Sears further discloses the method wherein the predetermined criteria includes at least one of making a number of consecutive on-time payments, and not exceeding a credit limit associated with the starter credit account (i.e., The retailer expects cardholders to pay on time, see lines 30-35).

Re claim 27. Claim 27 recites similar limitations to claim 26 and thus rejected using the same art and rationale.

Re claim 28. Sears further discloses the method for providing credit accounts, comprising: receiving a request from a customer for a first credit account associated with a first account parameters included a first credit limit and a first interest rate (see response to claim 1); providing to the customer a second credit account associated with second account parameters including a second credit limit and a second interest rate, wherein the second credit limit is lower than the first credit limit (i.e., the card will feature a smaller credit limit than the traditional Sears card, sears tested three, see lines 20-26); monitoring the second credit account to determine whether the customer has made a predetermined number of consecutive on time payments; and changing the second credit limit to a third credit limit that is higher than the second credit limit and lower than the first credit limit, when it is determined that the customer has made the predetermined number of on-time payments associated with the second credit account (i.e., the

credit limit can be raised, see pg 1 lines 30-35) (see Sears pg 1) wherein the third credit limit is based on a predetermined amount based on a number of on-time payments made by the customers.

Re claim 30. Sears further discloses a system for providing a starter credit account, comprising: a credit issuer for providing credit accounts including a starter credit account associated with starter credit account parameters (see pg 1, lines 1-10) and a standard credit account associated with standard credit account parameters that are more favorable than the starter credit account parameters (i.e., traditional sears card pg 1, lines 22-24), wherein the starter credit account is provided to a trial customer who is not eligible to obtain the standard credit account (see lines 16-29), the credit issuer comprising: a monitor process for monitoring the starter credit account to determine whether the trial customer has met predetermined criteria associated with the starter credit account during a trial period and adjusting the starter credit account parameters based on the determination (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see page 1, lines 30-34, this process inherently involves monitoring); a first memory for storing credit account information associated with standard credit account customers of the credit issuer; and a second memory for storing starter credit account information associated with the trial customer, wherein the credit issuer loads the starter credit account information stored in the second memory into the first memory after the starter credit account parameters associated with the starter credit

account have been adjusted based on the determination (i.e., if this is a performance based training-wheels approach to credit, it is inherent that the individual customer's account would be monitored and the customer's account information would be stored and loaded into corresponding memory).

Re claim 31. Claim 31 recites similar limitations to claim 4, and thus rejected using the same art and rationale in the rejection of claim 4.

Re claim 35. Claim 35 recites similar limitations to claim 8, and thus rejected using the same art and rationale in the rejection of claim 8.

Re claim 36. Claim 36 recites limitations that are part of the limitations recited in claim 19, and thus rejected using the same art and rationale in the rejection of those limitations in claim 19 above.

Re claim 42. Claim 42 recites similar limitation to claim 10, and thus rejected using the same art and rationale in the rejection of claim 10.

Re claim 45. Sears further discloses the method, wherein modifying the starter credit account parameters based on the monitoring comprises: increasing a credit limit associated with the starter credit account (i.e., cardholders eventually have their credit limit raised, pg 1 lines 30-35).

Re claim 46. Claim 46 recites similar limitations to claim 45, and thus rejected using the same art and rationale in the rejection of claim 45.

Re claim 47. Claim 47 recites similar limitations to claim 1, and thus rejected using the same art and rationale in the rejection of claim 1.

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Re claim 48. Claim 48 recites similar limitations to claim 2, and thus rejected using the same art and rationale in the rejection of claim 2.

Re claim 49. Claim 49 recites similar limitations to claim 3, and thus rejected using the same art and rationale in the rejection of claim 3.

Re claim 50. Claim 50 recites similar limitations to claim 4, and thus rejected using the same art and rationale in the rejection of claim 4.

Re claim 56. Claim 56 recites similar limitations to claim 10, and thus rejected using the same art and rationale in the rejection of claim 10.

Re claim 57. Claim 57 recites similar limitations to claim 2, and thus rejected using the same art and rationale in the rejection of claim 2.

Re claim 58. Claim 58 recites similar limitations to claim 3, and thus rejected using the same art and rationale in the rejection of claim 3.

Re claim 65. Claim 65 recites similar limitations to claim 19, and thus rejected using the same art and rationale in the rejection of claim 19.

Re claim 66. Claim 66 recites similar limitations to claim 4, and thus rejected using the same art and rationale in the rejection of claim 4.

Re claim 68. Claim 68 recites similar limitations to claim 22, and thus rejected using the same art and rationale in the rejection of claim 22.

Re claim 71. Claim 71 recites similar limitations to claim 25, and thus rejected using the same art and rationale in the rejection of claim 25.

Re claim 72. Claim 72 recites similar limitations to claim 26, and thus rejected using the same art and rationale in the rejection of claim 26.

Re claim 73. Claim 73 recites similar limitations to claim 27, and thus rejected using the same art and rationale in the rejection of claim 27.

Re claim 74. Claim 74 recites similar limitations to claim 28, and thus rejected using the same art and rationale in the rejection of claim 28.

Re claim 75. Claim 75 recites similar limitations to claim 29, and thus rejected using the same art and rationale in the rejection of claim 29.

Re claim 77. Claim 77 recites similar limitations to claim 1, and thus rejected using the same art and rationale in the rejection of claim 1.

Re claim 78. Claim 78 recites similar limitations to claim 2, and thus rejected using the same art and rationale in the rejection of claim 2.

Re claim 79. Claim 79 recites similar limitations to claim 3, and thus rejected using the same art and rationale in the rejection of claim 3.

Re claim 80. Claim 80 recites similar limitations to claim 4, and thus rejected using the same art and rationale in the rejection of claim 4.

Re claim 86. Claim 81 recites similar limitations to claim 10, and thus rejected using the same art and rationale in the rejection of claim 10.

Re claim 87. Claim 81 recites similar limitations to claim 11, and thus rejected using the same art and rationale in the rejection of claim 11.

Re claim 88. Claim 88 recites similar limitations to claim 12, and thus rejected using the same art and rationale in the rejection of claim 12.

Re claim 95. Claim 95 recites similar limitations to claim 19, and thus rejected using the same art and rationale in the rejection of claim 19.

Re claim 96. Claim 96 recites similar limitations to claim 4, and thus rejected using the same art and rationale in the rejection of claim 4.

Re claim 98. Claim 98 recites similar limitations to claim 22, and thus rejected using the same art and rationale in the rejection of claim 22.

Re claim 101. Claim 101 recites similar limitations to claim 25, and thus rejected using the same art and rationale in the rejection of claim 25.

Re claim 102. Claim 102 recites similar limitations to claim 26, and thus rejected using the same art and rationale in the rejection of claim 26.

Re claim 103. Claim 103 recites similar limitations to claim 26, and thus rejected using the same art and rationale in the rejection of claim 26.

Re claim 104. Claim 104 recites similar limitations to claim 28, and thus rejected using the same art and rationale in the rejection of claim 28.

Re claim 105. Claim 105 recites similar limitations to claim 29, and thus rejected using the same art and rationale in the rejection of claim 29.

Re claim 107. Claim 107 recites similar limitations to claim 42, and thus rejected using the same art and rationale in the rejection of claim 42.

Re claim 110. Claim 110 recites similar limitations to claim 45, and thus rejected using the same art and rationale in the rejection of claim 45.

Re claim 111. Claim 111 recites similar limitations to claim 46, and thus rejected using the same art and rationale in the rejection of claim 46.

Re claim 112. Claim 112 recites similar limitations to claim 42, and thus rejected using the same art and rationale in the rejection of claim 42.

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Re claim 115. Claim 115 recites similar limitations to claim 45, and thus rejected using the same art and rationale in the rejection of claim 45.

Re claim 116. Claim 116 recites similar limitations to claim 46, and thus rejected using the same art and rationale in the rejection of claim 46.

Re claim 118. Sears discloses the method wherein providing a starter credit account in place of the standard credit account includes: providing the starter credit account in response to the request for the standard credit account received from the customer (i.e., the new low credit approach will undoubtedly save many of those denied applicants who do not fit into sears existing modeling programs pg 1, lines 36-39, also see "sears plan to roll out a low credit line starter card by June, the card which will feature a smaller credit limit than the traditional sears card", pg 1 lines 17-25).

Re claims 119-120. Claims 119-120 recite similar limitations to claim 118 and thus rejected using the same art and rationale as in claim 118 above.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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Claims 5-9, 14-18, 21, 23-24, 32-34, 37-40, 43-44, 51-55, 60-64, 67, 69-70, 76, 81-85, 90-94, 97, 99-100, 106, 108-109, 113-114, and 117 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sears.

Re claim 5. Sears further discloses the method as stated supra, wherein upgrading at least one of the starter credit account parameters comprises: increasing a starter credit limit associated with the starter credit account. Sears does not expressly disclose adjusting an interest rate associated with the starter credit account when the customer has satisfied the predetermined criteria during the trial period. However, it's a well-known and common practice by credit card issuers to adjust interest rates of customers based on the customer's account standing. Thus, it would have been obvious to one of ordinary skill in the art to adjust customer's interest rate, in addition to adjusting the customer's credit limit, when the customer has satisfied predetermined criteria during the trial period to encourage customers to keep their account in good standing.

Re claim 6. Sears discloses the method wherein the predetermined criteria includes at least one of making a predetermined number of consecutive on time payments, and not exceeding the starter credit limit (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see page 1, lines 30-34).

Re claim 7. Sears does not expressly disclose the method wherein the step of upgrading at least one of the starter credit account parameters is replaced with: downgrading at least one of the starter credit account parameters based on the

monitoring. Although, Sears does not explicitly make this disclosure, however, it is obvious to anyone that if the reward for a customer keeping his starter account in good standing is upgrading at least of one the parameters of the said starter account, then the penalty for poor account standing would be exact opposite of upgrading, which is downgrading the least of one the parameters of the said starter account. This is well-known in the art.

Re claim 8. Sears does not explicitly disclose the method, downgrading further comprises: determining that the customer has not met a predetermined criteria during the trial period based on the monitoring; and restarting the trial period. However, It is common sense to know that if the trial period leaves the customer in poor account standing i.e., the customer fails to meet predetermined criteria, the customer would be penalized and his account would be downgraded. Thus, it would have been obvious to one of ordinary skill in the art to either kick the customer out of the program all together or restart the trial period for the said customer to give the said customer a second chance of putting his account in good standing.

Re claim 9. Sears does not expressly disclose the method of downgrading further comprises: determining that the customer has not met a predetermined criteria during the trial period based on the monitoring; preventing use of the starter credit account to purchase goods and/or services; increasing an interest rate associated with the starter credit account; and accessing penalty fees to the starter credit account. These are all well-known penalties that are visited on

customers that put their accounts in poor standing i.e., customers that fail to meet the predetermined criteria. For example, In 1997, I applied for my first credit card through MBNA America. On the credit card application, I requested for \$1500 credit limit. However, after my application was processed and approved, the credit limit offered to me was \$800. No sooner had I received the credit card than I called MBNA to find out why they gave me a credit limit of \$800 as opposed to \$1500, their reason was that based on the mechanism they use to extend credit limit to new customers, \$800 was the maximum amount they could extend to me at this time, and that is subject to change with time depending on the standing of my account. For the first six months, my account was in poor standing, and I received a call from MBNA informing me that based on my account standing, my APR has been raised and the fact that I was over my credit limit, my charging right has been suspended. I worked tirelessly to bring my account current, and I was able to achieve this in three months. About four months thereafter, I received another call from MBNA, offering to extend my credit limit from \$800 to \$1500, and at the same time reducing my annual APR. This personal story constitutes the applicant disclosure stated supra, which is old and well-known in the art. Thus it would have been obvious to one of ordinary skill in the art to incorporate the old and well known penalties stated supra in Sears to discourage customers from putting their accounts in poor standing.

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Re claims 14, 21, 32, 33, and 51. Claims 14, 2, 32, 33, and 51 recite similar limitations to claim 5, and thus rejected using the same art and rationale in the rejection of claim 5.

Re claims 15 and 52. Claims 15 and 52 recite similar limitations to claim 6, and thus rejected using the same art and rationale in the rejection of claim 6.

Re claim 16. Claim 16 recites similar limitations to claim 7, and thus rejected using the same art and rationale in the rejection of claim 7.

Re claims 17, 23. Claims 17, 23 recite similar limitations to claim 8, and thus rejected using the same art and rationale in the rejection of claim 8.

Re claims 18. Claims 18 recite similar limitations to claim 9, and thus rejected using the same art and rationale in the rejection of claim 9.

Re claim 24. The limitation in claim 24 is one of the limitations recited in claim 9 above, and thus rejected using the same art and rationale in the rejection of claim 9.

Re claim 34. Sears does not explicitly disclose the system wherein the credit limit is reduced to zero. However, it is common sense to know that if the credit limit is reduced to Zero, basically the customer is prevented from using his starter credit account to purchase goods and/or services. Since this is one of the limitations recited in claim 9, thus claim 34 is rejected using the same rationale given for the rejection of that limitation in claim 9 above.

Re claims 37 and 38. Sears discloses a process for monitoring a starter credit account associated with a customer who is not eligible to receive a standard

credit account from a credit issuer, wherein the standard credit account is associated with standard credit account parameters that are more favorable than starter credit account parameters associated with the starter credit account (i.e., the new low credit approach will undoubtedly save many of those denied applicants who do not fit into sears existing modeling programs pg 1, lines 36-39), the process comprising: a process for periodically monitoring activity associated with the starter credit account for a determined trial period (i.e., the retailer expects most new card holders to pay on time and eventually have their credit limits raised, see pg 1, lines 30-40, this process inherently involves monitoring); a process for determining whether predetermined criteria has been met based on the monitored activity during the trial period, a process for increasing a credit limit associated with the starter credit account based on the determination that the predetermined criteria has been met (i.e., new customers are expected to pay on time and eventually have their credit limits raised, see pg 1 lines 30-35). Sears does not explicitly disclose a process for resetting the trial period when the activity reflects that the customer has not met the predetermined criteria. However, It is common sense to know that if the trial period leaves the customer in poor account standing i.e., the customer fails to meet predetermined criteria, the customer would be penalized and his account would be downgraded. Thus, it would have been obvious to one of ordinary skill in the art to either kick the customer out of the program all together or restart/reset the trial period for the said customer to give the said customer a second chance of putting his account

in good standing.

.Re claim 39. Sears further disclose the process wherein the process for determining whether a predetermined criteria has been met based on the monitored activity further comprises: a process for determining that the customer has made a predetermined number of on time payments associated with the starter credit account (i.e., the retailer expects the cardholders to pay on time, see lines 30-36).

Re claim 40. Claim 40 recites similar limitations to claim 9, and thus rejected using the same art and rationale in the rejection of claim 9.

Re claim 43. Sears does not explicitly disclose the method wherein the second predetermined criteria is the same as the predetermined criteria. However, one of Sears predefined criteria is on time payment. Thus if, during the first trial, Sears starter credit cardholders fail to meet this predefined criterion and Sears choose to give these cardholders a second chance, it is common sense to know that these cardholders would be subject to the same predefined criterion they fail to meet in the first trial to see if they would make it in the second trial (this is what second chance is all about). Clearly in this case, the second predetermined criteria is the same as the predetermined criteria.

Re claim 44. Sears does not explicitly disclose the method, wherein the second predetermined criteria is not the same as the predetermined criteria. However, one of Sears predefined criteria is on time payment. Thus if, during the first trial period, Sears starter credit cardholders make their payments on time, but fail to

meet other predefined criteria (i.e., keep their credit limits under control), and Sears choose to give these cardholders a second chance, it is common sense to know that these cardholders would be subject to meet those predefined criteria they fail to meet in the first trial (i.e., keep their credit limits under control).

Clearly, in this case, the second predetermined criteria is not the same as the predetermined criteria.

Re claim 53. Claim 53 recites similar limitations to claim 7, and thus rejected using the same art and rationale in the rejection of claim 7.

Re claim 54. Claim 54 recites similar limitations to claim 8, and thus rejected using the same art and rationale in the rejection of claim 8.

Re claim 55. Claim 55 recites similar limitations to claim 9, and thus rejected using the same art and rationale in the rejection of claim 9.

Re claim 60. Claim 60 recites similar limitations to claim 5, and thus rejected using the same art and rationale in the rejection of claim 5.

Re claim 61. Claim 61 recites similar limitations to claim 6, and thus rejected using the same art and rationale in the rejection of claim 6.

Re claim 62. Claim 62 recites similar limitations to claim 7, and thus rejected using the same art and rationale in the rejection of claim 7.

Re claim 63. Claim 63 recites similar limitations to claim 8, and thus rejected using the same art and rationale in the rejection of claim 8.

Re claim 64. Claim 64 recites similar limitations to claim 9, and thus rejected using the same art and rationale in the rejection of claim 9.

Re claim 67. Claim 67 recites similar limitations to claim 5, and thus rejected using the same art and rationale in the rejection of claim 5.

Re claim 69. Claim 69 recites similar limitations to claim 23, and thus rejected using the same art and rationale in the rejection of claim 23.

Re claim 70. Claim 70 recites similar limitations to claim 24, and thus rejected using the same art and rationale in the rejection of claim 24.

Re claim 76. Sears discloses a computer-readable medium including instructions for performing a method, when executed by a processor, for providing credit accounts, the method comprising: receiving a request from a customer for a first credit account associated with a first account parameters included a first credit limit and a first interest rate (i.e., low-credit line starter card, see lines 17-20); providing to the customer a second credit account associated with second account parameters including a second credit limit (i.e., the traditional sears card, lines 20-29); and a second interest rate; monitoring the second credit account to determine whether the customer has performed at least one of made a predetermined number of consecutive on time payments (i.e., The retailer expects the cardholders to pay on time, lines 30-35) and exceeded the second credit limit (see Sears lines 1-40). Sears does not expressly disclose changing the second interest rate to a third interest rate that is higher than the first interest rate, when it is determined that the customer has made the predetermined number of on-time payments associated with the second credit account. However, It's a well-known and common practice by credit card issuers

to adjust interest rates of customers based on the customer's account standing.

Thus, it would have been obvious to one of ordinary skill in the art to adjust customer's interest rate, in addition to adjusting the customer's credit limit, when the customer has satisfied predetermined criteria of on-time payment to encourage customers to keep their account in good standing.

Re claim 81. Claim 81 recites similar limitations to claim 5, and thus rejected using the same art and rationale in the rejection of claim 5.

Re claim 82. Claim 82 recites similar limitations to claim 6, and thus rejected using the same art and rationale in the rejection of claim 6.

Re claim 83. Claim 83 recites similar limitations to claim 7, and thus rejected using the same art and rationale in the rejection of claim 7.

Re claim 84. Claim 84 recites similar limitations to claim 8, and thus rejected using the same art and rationale in the rejection of claim 8.

Re claim 85. Claim 85 recites similar limitations to claim 9, and thus rejected using the same art and rationale in the rejection of claim 9.

Re claim 90. Claim 90 recites similar limitations to claim 14, and thus rejected using the same art and rationale in the rejection of claim 14.

Re claim 91. Claim 91 recites similar limitations to claim 15, and thus rejected using the same art and rationale in the rejection of claim 15.

Re claim 92. Claim 92 recites similar limitations to claim 16, and thus rejected using the same art and rationale in the rejection of claim 16.

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Re claim 93. Claim 93 recites similar limitations to claim 17, and thus rejected using the same art and rationale in the rejection of claim 17.

Re claim 94. Claim 94 recites similar limitations to claim 18, and thus rejected using the same art and rationale in the rejection of claim 18.

Re claim 97. Claim 97 recites similar limitations to claim 5, and thus rejected using the same art and rationale in the rejection of claim 5.

Re claim 99. Claim 99 recites similar limitations to claim 23, and thus rejected using the same art and rationale in the rejection of claim 23.

Re claim 100. Claim 100 recites similar limitations to claim 24, and thus rejected using the same art and rationale in the rejection of claim 24.

Re claim 106. Claim 106 recites similar limitations to claim 76, and thus rejected using the same art and rationale in the rejection of claim 76.

Re claims 108, 113. Claims 108, 113 recites similar limitations to claim 43, and thus rejected using the same art and rationale in the rejection of claim 43.

Re claim 109 and 114. claims 109 and 114 recite similar limitations to claim 44, and thus rejected using the same art and rationale.

Re claim 117. Claim 117 recites similar limitations to claim 76, and thus rejected using the same art and rationale in the rejection of claim 76.

### ***Response to Arguments***

Applicant's arguments filed 04/19/06 have been fully considered but they are not persuasive. The applicant argues in substance that Sears does not state or even suggest the limitation "providing a starter credit account in place of the

standard credit account requested by the customer.” Contrary to the applicant’s assertion, Sears clearly states that the new-low credit line starter card (i.e., a starter credit card) will undoubtedly save many of those denied applicants who did not fit into sears existing modeling programs (see Sears pg 1, lines 34-42). Sears turned down 10 million applicants with poor or non-existent credit in 1996. However, Sears have devised a way to save these turned down applicants by offering new low-credit starter credit card. Thus, the new-low credit line starter card offered to millions of applicants that would have been otherwise turned down in the existing modeling programs (which is the standard credit account) constitute the applicant’s claimed subject matter of providing a starter credit account in place of the standard credit account requested by the customer.

The applicant further argues that Sears does not teach the limitation “monitoring the customer’s activities associated with the starter credit account during the trial period.” Contrary to the applicant’s assertion, Sears explicitly discloses that most new cardholders are expected to make their payments on time and eventually have their credit limits raised (see pg 1 lines 30-34). Thus, since raising customer’s credit limit is contingent upon making payments on time. Inherently, Sears has to monitor customer’s activities (i.e., monitor customer’s payment activities and customer’s card usage activities etc) to determine if the customer’s credit limit needs to be upgraded.

The applicant further argues that Sears does not teach upgrading at least one of the starter credit account parameters to match at least one of the standard

credit account parameters. However, Sears starter card is a low credit-line card issued to consumers with very thin or nonexistent credit histories (see Sears pg 1, lines 15-24). This low credit-line starter card can be upgraded to high credit-line card (i.e., new cardholders are expected to make their payments on time and eventually have their credit limits raised, see pg 1 lines 30-34) as long as cardholders make their payments on time. Since one of the standard credit account parameters (i.e., traditional card, see pg 1 lines 21-22) is high credit limit, thus raising the credit limit as taught by Sears constitutes upgrading at least one of the starter credit account parameters to match at least one of the standard credit account parameters as taught by the applicant.

The applicant further argues that Sears does not teach the limitations "determine a trial period for each ranked customer and determine whether the ranked customer has met the predetermined criteria during the trial period." Sears explicitly states that it is targeting its starter card towards consumers with very thin or nonexistent credit histories (see pg 1 lines 19-21). Clearly Sears has ranked its customers into two groups: one group has very thin or nonexistent credit histories and the other group has well established credit histories. The group with nonexistent credit histories is targeted for the starter card and the group with well-established credit histories is targeted for the Sears traditional card (i.e., president of Sears credit, says the card, which will feature a smaller credit limit than the traditional Sears card is a training-wheels approach to credit, see pg 1 lines 20-25). Since Sears starter card is a training-wheels approach to

credit, this is akin to the trial period disclosed by the applicant. And also since terms and conditions on the starter card are subject to change (i.e., credit limits can be raised) upon determining whether the cardholders keep their accounts in good standing (i.e., making payments on time), clearly this is akin to determining whether the ranked customer has met the predetermined criteria during the trial period as claimed by the applicant.

The applicant further argues that Sears fails to disclose the limitations " a first memory for storing credit account information associated with standard credit account customers of the credit issuer; and a second memory for storing starter credit account information associated with the trial customer, wherein the credit issuer loads the starter credit account information stored in the second memory into the first memory after the starter credit account parameters associated with the starter credit account have been adjusted based on the determination," as recited in claim 30. Contrary to the applicant's assertion, Sears explicitly discloses a starter credit account and traditional standard account. Thus it is inherent that Sears have means to store the accounts information. Further still, Sears starter card is a performance based training-wheels approach to credit. Inherently, individual customer's account would be monitored and the customer's account information would be stored and loaded into corresponding memory.

Lastly, the applicant argues that the conclusion by the examiner that a skilled artisan would have modified Sears because "it is well known and common practice .....to adjust interest rates of customers.....", is not properly supported by

the cited art and does not even address the features the examiner admits is missing from Sears. First, the examiner takes official notice that it is old and well-known by credit card issuers to adjust interest rates of customers based on the customer's account standing. Thus, it would have been obvious to one of ordinary skill in the art to adjust customer's interest rate, in addition to adjusting the customer's credit limit, when the customer has satisfied predetermined criteria of on-time payment to encourage customers to keep their account in good standing. The applicant has not, in any action, presented arguments that the features were not well known. The applicant only argument has been, the statement of official notice taken by the examiner is not properly supported by the cited art. This does not constitute a proper challenge to the official notice. Applicant has not submitted any rebuttal of the well-known statements, but has merely requested references disclosing the well-known limitations. This is not adequate and do not shift the burden to the examiner to provide evidence in support of the official notice. Allowing such statements to challenge official notice would effectively destroy any incentive on the part of the examiner to use it in the process of establishing a rejection of notoriously well-known facts (In re Boon, 169 USPQ 231 (CCPA 1971)). Further, in response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at

the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, HYUNG S. SOUGH can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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